

## **Minutes of the Finance Committee Meeting**

The Finance Committee of the McLean County Board met on Tuesday, November 4, 2003 at 4:00 p.m. in Room 700 of the McLean County Law and Justice Center, 104 W. Front Street, Bloomington, IL 61701.

Members Present: Chairman Sorensen, Members Berglund, Selzer, Nuckolls and Moss

Members Absent: Member Kalapp

Staff Present: Mr. John Zeunik, Administrator; Mr. Terry Lindberg, Assistant County Administrator; Ms. Lucretia Wherry, Human Resources Assistant; Ms. Christine Northcutt, County Administrator's Assistant

Elected Officials/  
Department Heads: Mr. Don Lee, Director, Nursing Home; Ms. Jackie Dozier, County Auditor; Ms. Becky McNeil, County Treasurer; Ms. Cathy Dreyer, Assistant County Treasurer; Mr. Derick Love, Chief Deputy, Sheriff's Department; Ms. Ruth Weber, County Recorder, Recorder's Office, Mr. Bob Kahman, Supervisor of Assessments; Ms. Connie Clifford, Chief Deputy, Supervisor of Assessments; Ms. Jennifer Ho, Risk Manager

Others Present: None

Chairman Sorensen called the meeting to order at 4:05 p.m. Chairman Sorensen asked if there were any additions or corrections to the minutes of the September 2, 2003 meeting. Hearing none, Chairman Sorensen said that he would entertain a motion to approve those minutes.

Motion by Berglund/Moss to accept and place on file the minutes of the October 9, 2003 Finance Committee meeting as presented.  
Motion carried.

Moving on to Departmental Matters, Chairman Sorensen informed the Committee that the first item on the agenda is the report of Mr. Bob Kahman, Supervisor of Assessments. Mr. Kahman explained that his report contains his regular status report and there is an action item, which is an amendment to a contract with Sidwell Company. Chairman Sorensen asked Mr. Kahman what was the intent of the amendment to the contract. Mr. Kahman replied that it formally moves the County from a paper mapping system to a digital mapping system with Sidwell being the consulting firm. The County's original intention was for the McLean County Regional Planning Commission to maintain and update the cadastral map, but as they got into the process, they realized that it is a much larger task than it appears.

Mr. Selzer asked if the County was continuing to buy Sidwell books. Mr. Zeunik replied  
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that the mapping will all be done via digital means, rather than the large black books that have been used in the past. Mr. Zeunik explained that when McLean County, the City of Bloomington, the City of Bloomington Township, the Town of Normal, the Town of Normal Township, and McLean County Regional Planning entered into an Intergovernmental Agreement to do a Countywide GIS system, the intent was that Regional Planning would be the office where the master GIS data would reside. They were also to maintain the complete system. What they quickly learned is that cadastral maintenance is much more complicated and involved than what they had anticipated. The maintenance is absolutely critical to Mr. Kahman's office and to the Township Assessor's do and ultimately critical to the County in terms of preparing a tax bill. In a meeting two months ago, of the Executive Committee of Regional Planning, it was decided that the most efficient way to do the cadastral maintenance was to contract that out to a professional firm. Because the County has had a long standing relationship with Sidwell, which goes back to the 1970's, it was agreed that it would be more efficient to have this done as an amendment to Sidwell's existing contract with the County, basically converting from the paper maintenance to the digital maintenance. All of the 4,000 parcels, which have not been updated, will be updated as a part of this contract. Sidwell will then update the GIS on a routine basis providing a new digital map and also paper reports documenting all the maintenance that they have done to the system.

Mr. Kahman added that when the time comes, it may still be more economical to purchase the books from Sidwell, if the need for books arise. Though, it may be possible to produce those books in house with the use of the data set, it remains to be seen what the cost will be. There are some unknown costs, such as each sheet of map size paper, the machinery to produce the books. Mr. Selzer stated that he wants to make sure that the County isn't buying technology it doesn't need. Mr. Zeunik stated that the paper mapping that is being done is not eligible to be paid for out of the GIS fees that are currently being collected. The Recorder's Office charges \$3.00 to record a single item, \$2.00 of that money goes to a GIS fund, which ultimately goes to Regional Planning to support GIS. The remaining \$1.00 stays in the Recorder's Document Storage Fund. This digital update of the GIS map can be paid from those GIS fees that are being collected. That would offset the expense of what is now, entirely a paper process, which is budgeted in various County Offices and Departments.

Motion by Selzer/Berglund to recommend approval of  
an Amendment to a Service Contract between Sidwell  
and McLean County, Illinois: GIS Cadastral Mapping  
Services. Motion carried.

Chairman Sorensen stated that the next person on the agenda is Ms. Becky McNeil, County Treasurer. Ms. McNeil stated that she has the standard reports for the

Committee this evening. She noted that the General Investment Report does not contain current rates or interest earnings, but she will provide that information at a Stand-up Meeting. Ms. McNeil noted that the General Fund Balance Sheet Summary shows the General Fund's fund balance is currently 9.5% over last year's balance. The balance is currently \$5.3 million, as opposed to \$4.8 million at this time in FY 2002. Ms. McNeil presented the Summary of Retailer's Occupational Tax (ROT), State Income Tax, and Personal Property Replacement Tax (PPRT). ROT is slightly lower than collected last year at this time, but is at 85.43% of budget, which is as expected. The State Income Tax is lower than last year and is also coming in under budget projections with only 76.94% collected. PPRT is down 5% compared to last year but, is at 87.61% of budget. Mr. Selzer asked if December should see an increase in any of these revenues. Ms. McNeil said that December is typically higher than previous months, but she expects December to be lower this year than what was received in FY 2002.

The last report is the General Fund Statement of Revenues, Expenditures and Fund Balance. This shows revenue at 78.75% of budget. We should be at 83%, but there are some large revenue sources yet to be accounted for such as, monies from the property tax sale and interest from the property taxes. Expenses are still below revenue at 75.52% of budget. There were no questions for Ms. McNeil.

Motion by Selzer/Moss to accept and place on file the County Treasurer's Statement of Revenue, Expenditure and Fund Balance Report, as of October 31, 2003, and the Treasurer's Investment Report . Motion carried.

Chairman Sorensen noted that the next item on the agenda is the Nursing Home Report. Mr. Don Lee, Director, Nursing Home informed the Committee that there is nothing unusual about the monthly reports. The month ended in a positive position as far as retained earnings are concerned. For the month of September, the census averaged around 138. Next month, the census will be down considerably due to a serious of discharges and deaths at the facility. For a period of time, the census dropped to 131. Today the census stands at 137. There were no questions for Mr. Lee.

Chairman Sorensen stated that Ms. Ruth Weber, County Recorder is next on the agenda. Ms. Weber informed the Committee that they had requested a report on the Accounts Receivable in the office. As indicated in her memo, Ms. Weber noted that this report can be best obtained from the software system in the office. They have spoken with their software vendor, and the vendor is setting up a program which will be installed on Monday, November 10<sup>th</sup>. The program will be able to provide all of the information that the Committee is requesting. Ms. Weber noted that she spoke with Ms. Helen Barrick from Clifton Gunderson, LLC and she agrees that this is the best way to handle this Minutes of

matter. She is on vacation next week, but will be back in the office on November 17<sup>th</sup> and she will be helping the office to get this program up and running. Ms. Weber noted that she will be able to provide the Committee with a complete report next month.

Ms. Weber informed the Committee that her office has recorded 56,756 documents this year as compared to 53,272 which were recorded in all of 2002. There were no questions for Ms. Weber.

Chairman Sorensen stated the next report was from Ms. Jennifer Ho, Risk Manager. Ms. Ho stated that she has provided the Committee with the third quarter Risk Management Fund Report. Ms. Ho explained that since her last report, Risk Management has not had any new claims or settlements in excess of \$10,000.00.

Ms. Ho noted that her next report will reflect the settlement which was entered by the Board at the October County Board Meeting.

Essentially there are two new claims in general liability, one auto liability claim, three auto physical damage claims, and 24 worker's compensation claims. Mr. Selzer asked if Ms. Ho anticipated that FY 2003 will end considerably lower in dollars spent than previous years. Ms. Ho replied that the experience does not reflect any lost time cases. The one large exposure for workers compensations claims is when a claim reported goes legal. This occurs when an employee decides to take the claim to the Industrial Commission. In years past, Ms. Ho stated that her department has tried to take care of the claimant's immediate concerns, i.e. medical payments, very quickly. There were no further questions for Ms. Ho.

Chairman Sorensen stated that the next item is the report of the County Administrator. Mr. Zeunik stated that there are three funds that need to be reviewed this evening. The first one is the Veteran's Assistance Commission Fund. Mr. Zeunik noted that Mr. Paul Kinsella, Director of the Veteran's Assistance Commission, is at a workshop today. The total budget for Fiscal Year 2004 is \$149,190.00 which represents an increase of .72% over Fiscal Year 2003. Pursuant to the referendum that was approved, the County Board is permitted to levy an amount not to exceed \$.03 per \$100.00 of equalized assessed value. This budget is well below that amount. Other than the fringe benefit category, there is a small increase in materials and supplies for reference materials for the office. There is very little change in the budget for Fiscal Year 2004 versus Fiscal Year 2003. Mr. Nuckolls asked how many paid staff members does the Veteran's Assistance Commission have. Mr. Zeunik replied that there are two including Mr. Kinsella's position. Chairman Sorensen asked if Mr. Sammy Ferrara, previous Director of the Veteran's Assistance Commission, was still on contract to assist in the training of Mr. Kinsella. Mr. Zeunik stated that he is no longer performing any form of additional services, as you will note that the Contract Services line shows no funding for Fiscal Year 2004.

Motion by Selzer/Berglund to tentatively approve the Veteran's Assistance Commission FY 2004 budget as submitted. Motion carried.

Mr. Zeunik stated that the next fund is the Tort Judgement Fund. The Tort Judgement Fund is a very large fund. What the Administrator's Office has provided is a break down of the four separate programs that comprise the Tort Judgement Fund. The total budget for the fund is \$1,989,664.00 which represents about a 6% increase over Fiscal Year 2003 adopted budget. The first program is the Juvenile Detention Health. We are required to provide medical services at the Juvenile Detention Center. We have one position budgeted there, which is a full time Registered Nurse who provides care to the juveniles. Fortunately, because of the age of the juveniles, we do not see a lot of problems. It is far different from the adult jail. The total operating budget for next year is \$91,911.00, which is a .27% increase over Fiscal Year 2003 adopted budget. We are permitted, under the law, to bill the parents or custodial guardians. Likewise, if we hold juveniles from other counties, and those juveniles require medical care, we can bill those other counties. That is where the \$3,100.00 in revenue comes from.

Motion by Nuckolls/Moss to tentatively approve the Juvenile Detention Health Services FY 2004 budget as submitted. Motion carried.

Mr. Zeunik stated that the next program is the Correctional Health Services Program in the Adult Jail. Ms. Joan Naour is the Director of that program and had planned to be with us this evening, but she has a new grandchild and is with family in Michigan. This budget is quite a bit larger than the Juvenile Detention Health. The total budget is \$749,108.00 with a relatively small increase of 1.53%. There is no change in the full time staffing. Staffing in the Adult Jail consists of Registered Nurses and LPN's. The staff is available 16 hours a day. Staffing is not available between 11:00 p.m. and 7:00 a.m. The largest expense after the salary expense is in the contractual services and in the purchase of medical products and supplies. We are looking at some slight increases in professional services in the mental health contract, the medical director fee and in dental services. There is some capital equipment budgeted in 2004. They plan to purchase a new EKG machine and a new autoclave unit. A physician does come to the jail each week for sick call and dental services are also provided to the inmates. The dental services provided are limited to pain relief. Mr. Selzer asked if the medical director is the same individual who provides the sick call. Mr. Zeunik replied that is correct. The Medical Director also serves as medical director to the Juvenile Detention Center and to the Health Department. Currently, the director is Dr. Kenneth Inoue.

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Motion by Selzer/Berglund to tentatively approve the Correctional Health Services FY 2004 budget as submitted. Motion carried.

Mr. Zeunik stated that the third program is the Risk Management Insurance program. Ms. Jennifer Ho is here to answer any questions that the Committee may have. Mr. Zeunik stated that this program does reflect a larger increase than the previous two programs. The Fiscal Year 2004 Recommended Budget is \$942,312.00 which represents 8.9% increase. A large part of that increase has to do with the insurance market and the various insurance lines. Mr. Zeunik asked Ms. Ho to update the Committee. Ms. Ho explained that the reinsurance lines of coverage are being restricted as a continuation of the poor investment returns. There has been a restriction in the public reinsurance market place since the year 2000. The losses from 9-11 are carrying over and still affecting the insurance market. There are many companies dropping out of the reinsurance market.

Motion by Selzer/Moss to tentatively approve the Risk Management/Insurance FY 2004 budget as submitted. Motion carried.

Mr. Zeunik stated that the last of the programs in the Tort Judgement Fund is the Civil Division for the State's Attorney's Office. This budget is \$206,330.00 which represents an 8.33% increase over Fiscal Year 2003. There is no change in staffing. The largest increase is in the Schooling and Conferences. This increase is due to a mandate from the State of Illinois to require additional training on capital cases because of the issues and concerns about how capital cases are being tried. There is now a requirement for the State's Attorney's Office to undertake additional training and preparation for all attorney's who handle capital cases. This is an issue of liability. That really is the only significant increase over Fiscal Year 2003. Chairman Sorensen asked if either of the Civil Assistant State's Attorneys, Mr. Eric Ruud or Mr. Brian Hug, prosecute capital cases. Mr. Zeunik replied that they do not, but the liability for the County would fall back on the Risk Management Fund. In other words, if some accusations were brought against an attorney in the State's Attorney's Office for the way a capital case was handled, that expense and the defense of that case would come out of the Risk Management Fund. Mr. Zeunik mentioned that he is aware that Mr. Bill Yoder, State's Attorney's intends to make certain that all of the attorney's who handle capital cases complete the required training.

Motion by Nuckolls/Berglund to tentatively approve the Civil Division of the Tort Judgement FY 2004 budget as submitted. Motion carried.

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Mr. Zeunik stated that the final budget is for the McLean County Nursing Home. Mr. Don Lee, Director, is here to answer any questions that the Committee may have. Mr. Zeunik explained that the McLean County Nursing Home is the County's only Enterprise Fund. We are anticipating \$5,732,018.00 in revenue, which is a 4.68% increase over Fiscal Year 2003. Expenses are equal to the projected revenue.

Mr. Zeunik noted that there is a summary of both the major revenue lines as well as the expense lines in the Committee's packet. Mr. Zeunik asked Mr. Lee to review the FY 2004 budget with the Committee. Mr. Lee stated that the increases in the budget come from the personnel lines. The salaries are up 4.9%. The personnel line was up a total of \$40,000.00 in part due to IMRF contributions and salaries. Other significant changes come under contractual agreements. The section comes under both commodities and contractual. One is the medications that the County purchases for Medicare residents in the facility. The Nursing Home is under a federal prospective payment systems as far as Medicare is concerned. If a resident comes into the facility under Medicare, the County must pay all expenses associated with that person's care. Whereas, if someone comes in under private pay or public aid status, physician services and medications are billed separately. The County is not charged or reimbursed for those fees. We have seen a significant increase in the amount that we are paying out for medications for individuals covered under Medicare. There has also been increases in payments for specialized services, which are physical and occupational therapy, laboratory tests, x-rays and transportation associated with those tests. Those are the only significant increases in the budget.

Mr. Lee noted that he did increase the anticipated revenue for private pay and for Public Aid patients. Public Aid has increased because of the Intergovernmental Agreement which provides additional funds to the County. Chairman Sorensen asked Mr. Lee if he was projecting a daily rate increase as part of the projected increase. Mr. Lee replied that he has factored that in. The current daily rate is \$110.00 per day based on the current formula. The budget is based on a recommendation of increasing that to \$116.00 per day.

Motion by Selzer/Berglund to tentatively approve the McLean County Nursing Home FY 2004 budget as submitted. Motion carried.

Mr. Zeunik noted that the only other item is a request for an Executive Session to discuss collective bargaining matters.

Motion by Moss/Selzer to enter into Executive Session at 5:00 p.m. to discuss Collective Bargaining issues. The following administrative Staff are included in the Executive Session: Chief Deputy Sheriff Derick Love, Mr. Terry Lindberg, Mr. John Zeunik, Ms. Lucretia Wherry and Ms. Christine Northcutt. Motion carried.

Motion by Moss/Berglund to return to Open-Session at 5:20 p.m. Motion carried.

Chairman Sorensen presented the bills for the Finance Committee's review and approval as transmitted by the County Auditor. The fund total is \$1,675,094.28 and the prepaid total is the same.

Motion by Moss/Berglund to recommend approval of the Finance Committee Bills as presented to the Committee by the County Auditor. Motion carried.

Chairman Sorensen presented the bills from the Nursing Home. The fund total and prepaid total are the same at \$427,430.08.

Mr. Selzer noted that he wanted to thank Mr. Zeunik and the County Administrator's staff for their diligence in preparing and presenting the budget materials to the Finance Committee.

There being nothing further to come before the Committee at this time, Chairman Sorensen adjourned the meeting at 5:21 p.m.

Respectfully submitted,

Ms. Christine Northcutt  
Recording Secretary